

U.S. Rep. Harry Mitchell

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Editorial

As Congress prepares to begin this year's legislative session, clearly strengthening the economy and creating jobs must continue to be our top priority. I believe that begins with a more fair and predicable tax code.

Last year, U.S. Rep. Mark Kirk, R-Ill., and I introduced the Capital Gains and Estate Tax Relief Act, which would make recent cuts to capital gains and estate taxes permanent. These critical tax cuts are encouraging investment and helping middle-class families in my district and across the country. As we navigate a long, slow economic recovery, I believe they are even more important.

These tax cuts are set to expire in at the end of 2010. At a time when Arizonans so desperately need to encourage the kind of investment and economic growth that creates jobs, I believe it is wrong to raise these taxes.

The House of Representatives recently passed a bill to establish a permanent estate tax, which I believe is critically flawed. Most notably, the exemption is too low and it does not keep pace with inflation. As a result, the tax would negatively impact more Arizonans each year. I voted against this bill, and continue to urge my colleagues to permanently extend the cuts to the estate tax at a lower rate.

Likewise, I recently voted against House legislation that would raise taxes on carried interest. Rescinding the lower, capital gains tax rate, and raising taxes on investment discourages the very economic activity Arizonans need to help grow our economy and create jobs.

Arizonans, like all Americans, feel this pain and factor the sluggish economy into their decision making. While a number of economic indicators are showing early signs of recovery, the real estate market is still hurting, small businesses are still struggling, and unemployment remains high. As people are taking a hard look at their individual retirement accounts and 401Ks, we need to encourage investment, not discourage it by raising taxes and making it more expensive.

Several years ago, these tax cuts were championed by President Bush and a Republican Congress. While the political climate has continued to oscillate since then, the fundamental need to encourage investment and support growth has remained constant.

These tax cuts are sensible. They are bipartisan. They affect small businesses. They affect stockholders. They affect anyone who owns a home.

Now more than ever, we must place pragmatism above partisanship, and do what is necessary to get our economy moving.

In 2007, 2008 and again this year, I voted against the Democratic Budgets, partly because they failed to extend cuts to capital gains and estate taxes. At the time, I expressed frustration with both Democrats and Republicans for failing to work together to create a budget that incorporates good ideas from both sides of the aisle.

I believed that we could do better, and I believe now that we must. So today, I challenge my colleagues on both sides of the aisle to do the right thing for middle-class families, small businesses, stockholders, and homeowners. Consider this legislation, not on a partisan basis, but on its merits. Making these tax cuts permanent will help us move our economy forward, and working together, I know we can make that happen.